

Department of Administration

Analyst: Freeman

Historical Summary

OPERATING BUDGET	FY 2000 Actual	FY 2001 Actual	FY 2002 Approp	FY 2003 Request	FY 2003 Gov Rec
BY PROGRAM					
Administrative Rules	545,300	429,800	516,700	525,100	517,700
Director's Office	1,332,200	1,391,800	1,325,300	1,326,400	1,309,100
Info. Tech. & Communication	3,545,000	3,639,800	4,366,400	4,528,200	3,952,800
ITRMC	542,700	574,000	726,100	739,100	729,500
Office of Insurance Management	973,800	1,179,500	1,293,700	1,307,900	1,290,800
Public Works	13,103,900	13,664,200	15,297,000	17,051,800	13,903,100
Purchasing	2,349,100	2,418,600	3,494,700	3,486,600	3,349,400
Total:	22,392,000	23,297,700	27,019,900	28,965,100	25,052,400
BY FUND CATEGORY					
General	4,035,400	4,325,100	4,922,100	6,210,000	3,138,500
Dedicated	18,356,600	18,972,600	22,097,800	22,755,100	21,913,900
Total:	22,392,000	23,297,700	27,019,900	28,965,100	25,052,400
Percent Change:		4.0%	16.0%	7.2%	(7.3%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	7,325,600	7,584,300	9,144,000	9,263,800	9,085,900
Operating Expenditures	9,804,000	10,364,800	12,244,400	14,274,200	12,017,700
Capital Outlay	5,262,400	5,348,600	5,631,500	5,427,100	3,948,800
Total:	22,392,000	23,297,700	27,019,900	28,965,100	25,052,400
Full-Time Positions (FTP)	172.60	173.60	173.60	173.60	173.60

Division Description

DIRECTOR'S OFFICE: Provides administrative, fiscal, legal, and human resources services to the Department. Administers the Industrial Special Indemnity Fund.

DIVISION OF INFORMATION TECHNOLOGY & COMMUNICATION: Operates the IDANET, coordinates Internet, electronic mail, telephone, data and video transmission services, and the statewide microwave system.

DIVISION OF PUBLIC WORKS: Develops and oversees construction and renovation projects for state buildings, and manages leases for all state-leased office space.

DIVISION OF PURCHASING: Acquires property for all state agencies through the competitive bidding process, provides document management services, assists in the donation of surplus federal property to state and local government and eligible non-profits, and provides mail services to most state agencies.

OFFICE OF ADMINISTRATIVE RULES: Structures, promulgates, and disseminates all administrative rules subject to the Idaho Administrative Procedure Act.

INFORMATION TECHNOLOGY RESOURCE MANAGEMENT COUNCIL (ITRMC): Facilitates a centralized and coordinated approach to the design, procurement and implementation of the state's information technology and telecommunications systems.

OFFICE OF INSURANCE MANAGEMENT: Negotiates and administers medical, dental, life and disability insurance programs and the Integrated Behavioral Health Program for state employees, provides property and casualty insurance services to state government via insurance and self-insurance.

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Comparative Summary

Decision Unit	AGENCY REQUEST		GOVERNOR'S REC	
	General	Total	General	Total
FY 2002 Original Appropriation	4,922,100	27,019,900	4,922,100	27,019,900
1. Legal Costs	245,000	245,000	0	0
2. Capital Mall Security	130,000	259,200	0	0
Holdback/Neg. Supp	(127,600)	(127,600)	(127,600)	(127,600)
FY 2002 Total Appropriation	5,169,500	27,396,500	4,794,500	26,892,300
Removal of One-Time Expenditures	(671,700)	(1,856,600)	(376,700)	(1,561,600)
Base Adjustments	0	0	(1,200,000)	(1,200,000)
Restore Executive Holdback	127,600	127,600	127,600	127,600
Permanent Base Reduction	0	0	(242,000)	(242,000)
FY 2003 Base	4,625,400	25,667,500	3,103,400	24,016,300
Personnel Cost Rollups	10,300	51,200	10,300	51,200
Inflationary Adjustments	22,200	195,300	0	0
Replacement Items	197,000	391,600	0	194,600
Nonstandard Adjustments	327,300	344,800	24,800	34,300
Change in Employee Compensation	15,000	76,900	0	0
FY 2003 Program Maintenance	5,197,200	26,727,300	3,138,500	24,296,400
1. WAN Security	67,900	67,900	0	0
2. Support for Building Projects	0	560,000	0	0
3. WAN Reliability	203,900	203,900	0	0
4. Courthouse Maintenance	0	15,000	0	15,000
5. Capitol Moving Expenses	741,000	741,000	0	741,000
6. Utility Cost Increases	0	650,000	0	0
FY 2003 Total	6,210,000	28,965,100	3,138,500	25,052,400
Change from Original Appropriation	1,287,900	1,945,200	(1,783,600)	(1,967,500)
% Change from Original Appropriation	26.2%	7.2%	(36.2%)	(7.3%)
Change in FTP's		0.00		0.00

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2002 Original Appropriation	173.60	4,922,100	22,097,800	0	27,019,900

1. Legal Costs

Director's Office

Hayden Lake Fire Protection District v. State Insurance Fund (SIF) is a class action lawsuit seeking the distribution of millions of dollars from the SIF to entities that have paid premiums into the SIF. The Governor intervened in the lawsuit to protect the financial integrity of the SIF as well as those agencies that rely on the SIF for workers compensation insurance. However, since the Attorney General was already under contract to represent SIF, it was determined that outside counsel had to be retained to represent the state agency intervenors. This arrangement was discussed with Legislative leadership during the 2001 session, but no separate appropriation was made due to the lateness of the session.

All legal costs have been paid through December 31, 2001 by the Attorney General from the Special Litigation fund to ensure the interests of state agencies were protected. Reimbursement of those costs will be addressed in the budget of the Office of the Attorney General. While the State has prevailed in this case pursuant to the judge granting the State's motions to dismiss, this supplemental would provide \$245,000 in one-time General Funds for all legal costs incurred on or after January 1, 2002 in the event the judge's rulings are appealed.

Agency Request	0.00	245,000	0	0	245,000
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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2. Capital Mall Security

Public Works

This enhancement would provide \$130,000 in General Funds and \$129,200 in dedicated funds for enhanced security in the Capital Mall. The security enhancements requested were recommended to the Department of Administration by a Security Analysis Committee formed at the behest of Senate Leadership. This enhancement would fund two of the recommendations made by the committee.

First, this enhancement would provide the capability to furnish up to eight additional security officers in the Capital Mall on an ongoing basis. These security officers would be furnished under the existing security contract. The additional cost under the contract to provide the security officers is split between General and dedicated funds (\$80,000 and \$129,200, respectively) to reflect staffing in the Capitol (two full time officers), and one officer in each of the following buildings: J.R. Williams, Len B. Jordan. P.T. Cenarussa and Supreme Court. Finally, two additional officers would be added to the off-shift staffing levels. The Capitol security would be funded with General Funds, while the security for the remaining Capitol Mall buildings would be paid for with dedicated funds. (Note: the dedicated fund spending authority request is to provide the capability to bring in additional security personnel should a situation warrant it.)

This enhancement would also provide a mobile metal detector for use in the Capitol during Legislative Sessions, committee meetings, and hearings. This would be a one-time capital expenditure of \$50,000.

Agency Request	0.00	130,000	129,200	0	259,200
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Holdback/Neg. Supp

The holdback plan includes \$12,700 in personnel costs, \$73,400 in operating expenses and \$41,500 in capital outlay. The holdback reduces support for the Director's Office by \$5,300, Information Technology by \$29,500, ITRMC by \$1,300, Public Works by \$65,600, and Purchasing by \$25,900.

Agency Request	0.00	(127,600)	0	0	(127,600)
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Governor's Recommendation	0.00	(127,600)	0	0	(127,600)
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FY 2002 Total Appropriation					
Agency Request	173.60	5,169,500	22,227,000	0	27,396,500
Governor's Recommendation	173.60	4,794,500	22,097,800	0	26,892,300

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Removal of One-Time Expenditures					
Remove funding provided for one-time items.					
Agency Request	0.00	(671,700)	(1,184,900)	0	(1,856,600)
Governor's Recommendation	0.00	(376,700)	(1,184,900)	0	(1,561,600)
Base Adjustments					
Reflects transfer of one FTP and \$46,500 from Office of the Director to Division of Information Technology.					
Agency Request	0.00	0	0	0	0
<i>Division of Public Works: Reduce base for retired debt service and move remaining funds into OE for anticipated increased utility costs.</i>					
Governor's Recommendation	0.00	(1,200,000)	0	0	(1,200,000)
Restore Executive Holdback					
Agency Request	0.00	127,600	0	0	127,600
Governor's Recommendation	0.00	127,600	0	0	127,600
Permanent Base Reduction					
Agency Request	0.00	0	0	0	0
<i>Permanent reductions in agency base budgets are made to accommodate limited General Fund revenue for fiscal year 2003. Reductions will be accommodated through program consolidations, expenditure management, and other program changes that realign funding availability with program requirements.</i>					
Governor's Recommendation	0.00	(242,000)	0	0	(242,000)
FY 2003 Base					
Agency Request	173.60	4,625,400	21,042,100	0	25,667,500
Governor's Recommendation	173.60	3,103,400	20,912,900	0	24,016,300
Personnel Cost Rollups					
Includes the employer portion of estimated changes in employee benefit costs.					
Agency Request	0.00	10,300	40,900	0	51,200
Governor's Recommendation	0.00	10,300	40,900	0	51,200
Inflationary Adjustments					
Includes a general inflationary increase of 1.7% in operating expenditures.					
Agency Request	0.00	22,200	173,100	0	195,300
<i>The Governor recommends no increase for inflation.</i>					
Governor's Recommendation	0.00	0	0	0	0
Replacement Items					
OFFICE OF THE DIRECTOR: \$4,800 for computer leases. ADMINISTRATIVE RULES: \$1,800 for computer leases. ITRMC: \$3,600 for computer leases. INFORMATION TECHNOLOGY & COMMUNICATIONS: \$356,800 for computer equipment and software, vehicles, and generators. PUBLIC WORKS: \$3,000 for computer leases. PURCHASING: \$19,800 for computer leases, a telephone system, and barcode equipment. OFFICE OF INSURANCE MANAGEMENT: \$1,800 for computer leases.					
Agency Request	0.00	197,000	194,600	0	391,600
<i>Division of Information Technology: The Governor only recommends replacement items funded with dedicated funds. Division of Public Works: The Governor recommends one-time funding of replacement items. Division of Purchasing: The Governor recommends one-time funding of capital outlay items.</i>					
Governor's Recommendation	0.00	0	194,600	0	194,600

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Nonstandard Adjustments					
Reflects an adjustment in Attorney General, Controller and Treasurer fees pursuant to the Statewide Cost Allocation Plan, and an increase in building services space charge.					
Agency Request	0.00	327,300	17,500	0	344,800
<i>The Governor recommends no adjustment to building space charges for state agencies.</i>					
Governor's Recommendation	0.00	24,800	9,500	0	34,300
Change in Employee Compensation					
Reflects the cost of a 1% salary increase for permanent and group positions.					
Agency Request	0.00	15,000	61,900	0	76,900
<i>The Governor recommends state employee compensation increases to be made from salary savings.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2003 Program Maintenance					
Agency Request	173.60	5,197,200	21,530,100	0	26,727,300
Governor's Recommendation	173.60	3,138,500	21,157,900	0	24,296,400
1. WAN Security			Information Technology & Communications		
This enhancement requests funding that would enhance the security for electronic applications across all state agencies. It addresses a key strategy in the revised Idaho Information Technology Plan of 2001 by the Information Technology Resource Management Council to put proper safeguards in place to assure secured access to applications and confidentiality of information transmitted over the State's Wide Area Network. Specifically, it will provide \$14,200 in ongoing General Funds and \$53,700 in one-time General Funds.					
Agency Request	0.00	67,900	0	0	67,900
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
2. Support for Building Projects			Public Works		
This enhancement would provide \$560,000 in one-time dedicated fund spending authority for professional consultants to effectively manage the fiscal year 2002 capital budget and the Capitol Building restoration. In recognition of the increased workload to the Division of Public Works as a result of the 2002 appropriation, the Legislature granted the Division a one-time spending authority increase of \$560,000 for its 2002 budget to manage these projects. The projects have not progressed to the point of permitting the effective use of all of the one-time funding, and therefore, the Division is requesting another one-time appropriation for fiscal year 2003 to keep the projects progressing to completion.					
Agency Request	0.00	0	560,000	0	560,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
3. WAN Reliability			Information Technology & Communications		
This enhancement requests funding that would increase the overall reliability of the State's Wide Area Network and has the potential to benefit all state agencies with existing or planned e-government initiatives. It addresses a key strategy in the revised Idaho Information Technology Plan of 2001 by the Information Technology Resource Management Council calling for the provision of key digital services to Idaho citizens 24 hours a day, 7 days a week. Specifically, it would provide \$108,200 in ongoing General Funds and \$95,700 in one-time General Funds.					
Agency Request	0.00	203,900	0	0	203,900
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

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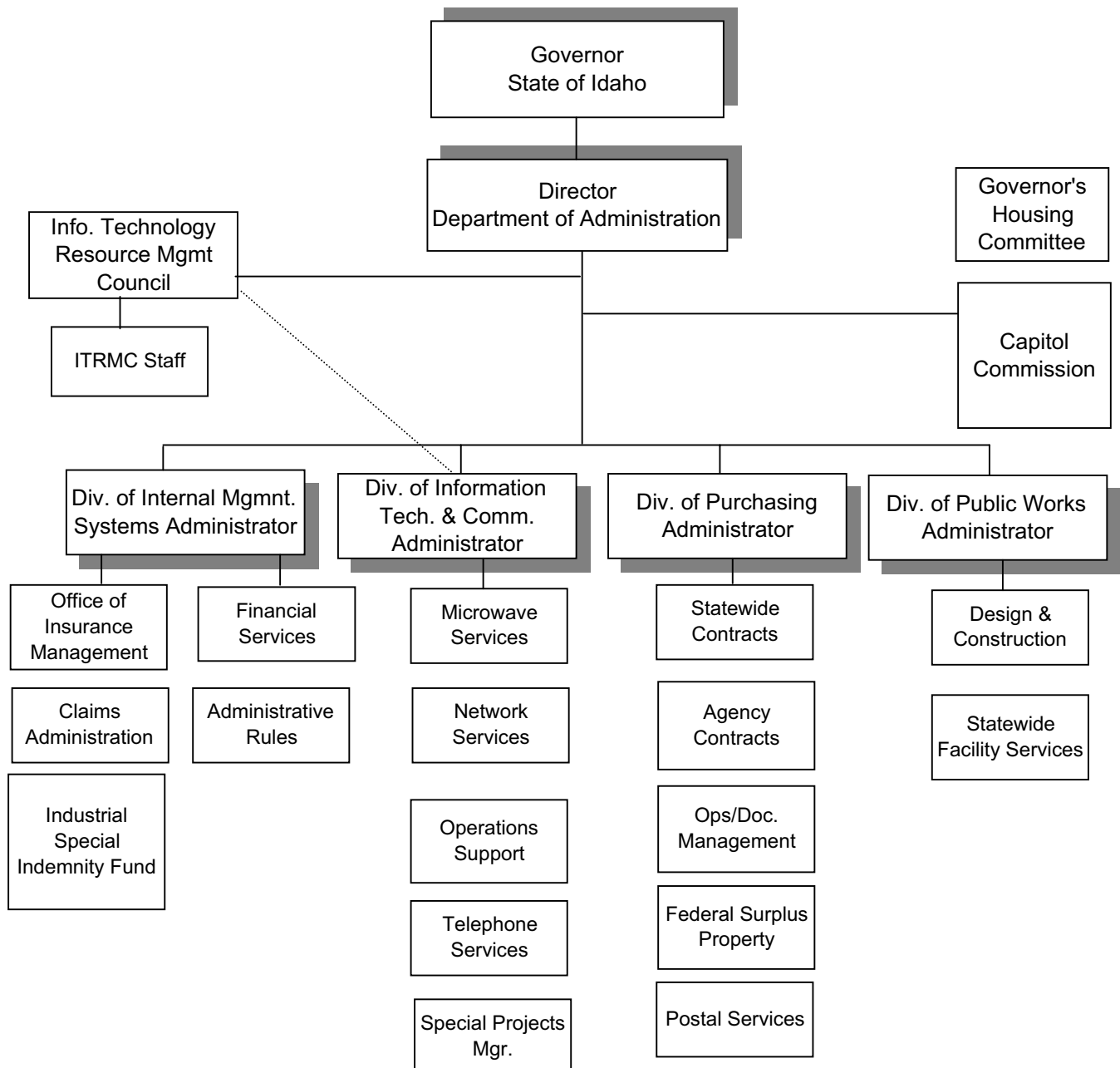
Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. Courthouse Maintenance					Public Works
This enhancement would provide \$15,000 in ongoing dedicated funds allowing the Department to provide cost-effective building management services for the Ada County Courthouse. Whether the building is ultimately razed or remodeled, the State must maintain the building in a caretaker status until demolition or construction begins. Costs for an eight month design period preceding construction are estimated to be \$15,000. Funding of this enhancement will provide that spending authority. Fund source is proceeds from rent paid by Ada County for use of the building.					
Agency Request	0.00	0	15,000	0	15,000
<i>Governor recommends one-time funding.</i>					
Governor's Recommendation	0.00	0	15,000	0	15,000
5. Capitol Moving Expenses					Public Works
The Idaho Capitol Commission has set a goal to have the renovation of the Capitol completed by July, 2005. In order to meet this objective, it will be necessary to completely vacate the Capitol of all tenants during the renovation period. This enhancement would pay for the cost of moving all Capitol tenants out of the Capitol (\$315,000) and four months of lease costs for the balance of fiscal year 2003 (\$426,000).					
Agency Request	0.00	741,000	0	0	741,000
<i>Governor recommends funding from the Permanent Building Fund.</i>					
Governor's Recommendation	0.00	0	741,000	0	741,000
6. Utility Cost Increases					Public Works
This enhancement would provide the Division of Public Works with \$650,000 in ongoing dedicated funds to cover electrical and natural gas rate increases. The Department of Administration has experienced increasing utility costs over the past year, and all indications are that the increases will continue for at least the next fiscal year. The Department has increased the base rental rate of state owned facilities to \$10.40 per square foot to provide sufficient cash flow to fund current operations. This enhancement will provide the necessary spending authority needed to pay for utility cost increases.					
Agency Request	0.00	0	650,000	0	650,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2003 Total					
Agency Request	173.60	6,210,000	22,755,100	0	28,965,100
Governor's Recommendation	173.60	3,138,500	21,913,900	0	25,052,400
Agency Request					
Change from Original App	0.00	1,287,900	657,300	0	1,945,200
% Change from Original App	0.0%	26.2%	3.0%		7.2%
Governor's Recommendation					
Change from Original App	0.00	(1,783,600)	(183,900)	0	(1,967,500)
% Change from Original App	0.0%	(36.2%)	(0.8%)		(7.3%)

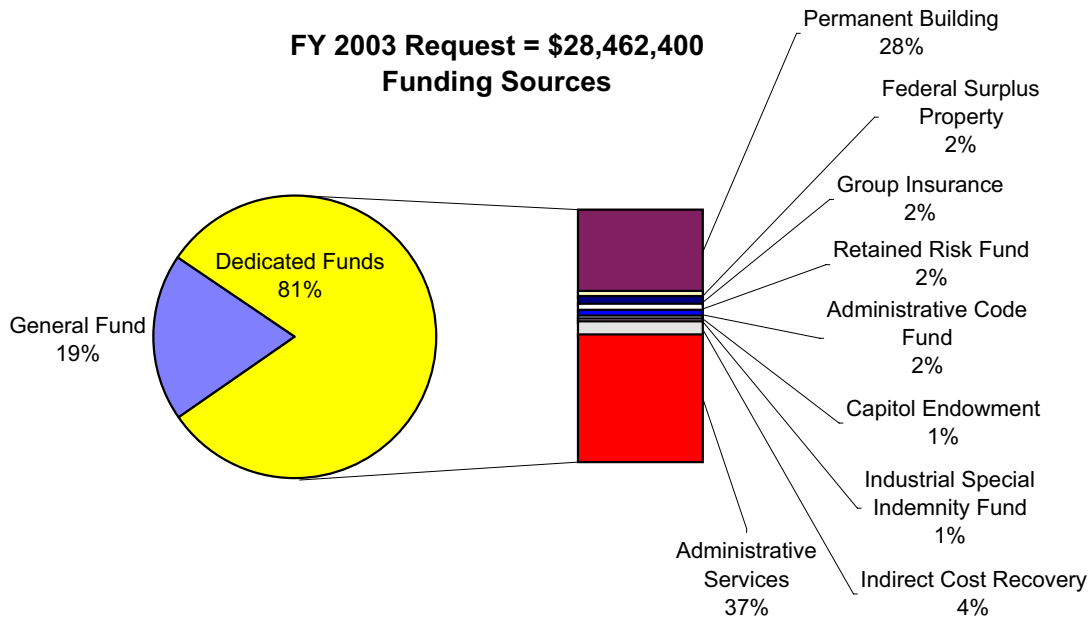
Department of Administration

Issues & Information

Analyst: Freeman

Department of Administration Organizational Chart





DEDICATED FUND SOURCES and USES

Permanent Building Fund

Source: Beer tax, income tax filing tax, lottery earnings, plus a portion of the cigarette and sales tax.

Use: Used to build and maintain structures of Idaho state government.

Federal Surplus Property

Source: Fees charged to public entities that acquire surplus federal property.

Use: Pays for the acquisition, warehousing, and distribution of surplus federal property and office operation costs.

Group Insurance

Source: A monthly per employee payment made by each agency which is combined with monthly premiums paid by employees and retirees.

Use: Provides medical and dental benefits to state employees and their dependents and office operation costs.

Retained Risk Fund

Source: Agencies are billed for their share of property and casualty insurance coverage.

Use: Pays premiums to insurers, uninsured losses, and offers operation costs.

Administrative Code Fund

Source: Fees charged to state agencies that are promulgating administrative rules, agencies that have rules contained in administrative code, and anyone purchasing printed rules.

Use: Pays for all costs associated with the rule-making process.

Capitol Endowment Income Fund

Source: Revenue generated from state endowment lands.

Use: Repair, renovation and other permanent improvements of the Capitol building.

Industrial Special Indemnity Fund

Source: An annual assessment on workers compensation insurers based on their pro-rata share of the total benefits paid.

Use: Pays benefits to totally and permanently disabled "second injury" claimants and office operation costs.

Indirect Cost Recovery Fund

Source: Charges to other programs within the Department to allocate administrative overhead costs.

Use: Pay salaries, operating costs, and capital equipment for centralized administrative functions.

Administrative Services

Source: The Department of Administration sells products and services to other state agencies. This fund accounts for those transactions and is composed of many fund details.

Use: Pays for Department goods and services sold to other state agencies.